

News from Ed Markey

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Rep. Markey Introduces Financial Privacy Legislation

WASHINGTON, D.C. -- Representative Edward J. Markey (D-MA) today announced that he had last night introduced two bills aimed at curbing invasions of consumers' right to financial privacy.

"Our nation's financial services regulators are only beginning to come to grips with changes in telecommunications technology that have made it far easier for banks, brokerage firms, mutual funds and other financial services firms to buy and sell personal financial information - often without the consumer's knowledge, consent or approval", said Rep. Markey.

Rep. Markey is the Ranking Democratic Member of the House Commerce Committee's Subcommittee on Telecommunications, Trade and Consumer Protection, and also serves a Member of the Committee's Subcommittee on Finance and Hazardous Materials. In the last Congress, Markey, a leading Congressional privacy advocate, introduced similar legislation. In addition, Markey attempted to attach a privacy amendment to H.R. 10, the proposed "Financial Services Act" which would restructure the laws governing the financial services industry. However, the House Republican leadership blocked this amendment from being offered. Rep. Markey today announced his intention to attach an amendment based on his legislation to the current version of H.R. 10, which is now pending before the House Commerce Committee.

The bills Rep. Markey introduced yesterday are aimed at protect the privacy of both securities investors and bank customers. H.R. 1340 the "Securities Investors Privacy Enhancement Act of 1999" and H.R. 1339, the "Depository Institution Customers Financial Privacy Enhancement Act of 1999" would give investors in stocks and bonds, mutual funds, clients of investment advisors, as well as depository institution customers, and other consumers of other affiliates of financial services companies protections from privacy invasions. They would establish under federal law the principle that financial services institutions generally must provide notice to the consumer of when information is being gathered about them, disclosure whenever the institution intends to offer such information to any other person (including affiliates), and a requirement for the express written consent of the consumer (or "opt in") if the information is to be transferred or sold to any other person.

Rep. Markey concluded, "Consumers should have the right to know whenever personal information is being collected about them, notice whenever any personal information collected is intended by the recipient for reuse, sale, or cross-marketing purposes, and the right to say "No" to the unauthorized collection, reuse, or sale of their personal financial information. There is growing evidence that legislative action is needed to secure privacy

protections for financial consumers. I intend to push for adoption of enhanced financial privacy protections as soon as possible, either as a free-standing bill or as an amendment to H.R. 10, the financial services modernization bill."

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